

## **Results for the six months ended 31 March 2020**

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4 June 2020

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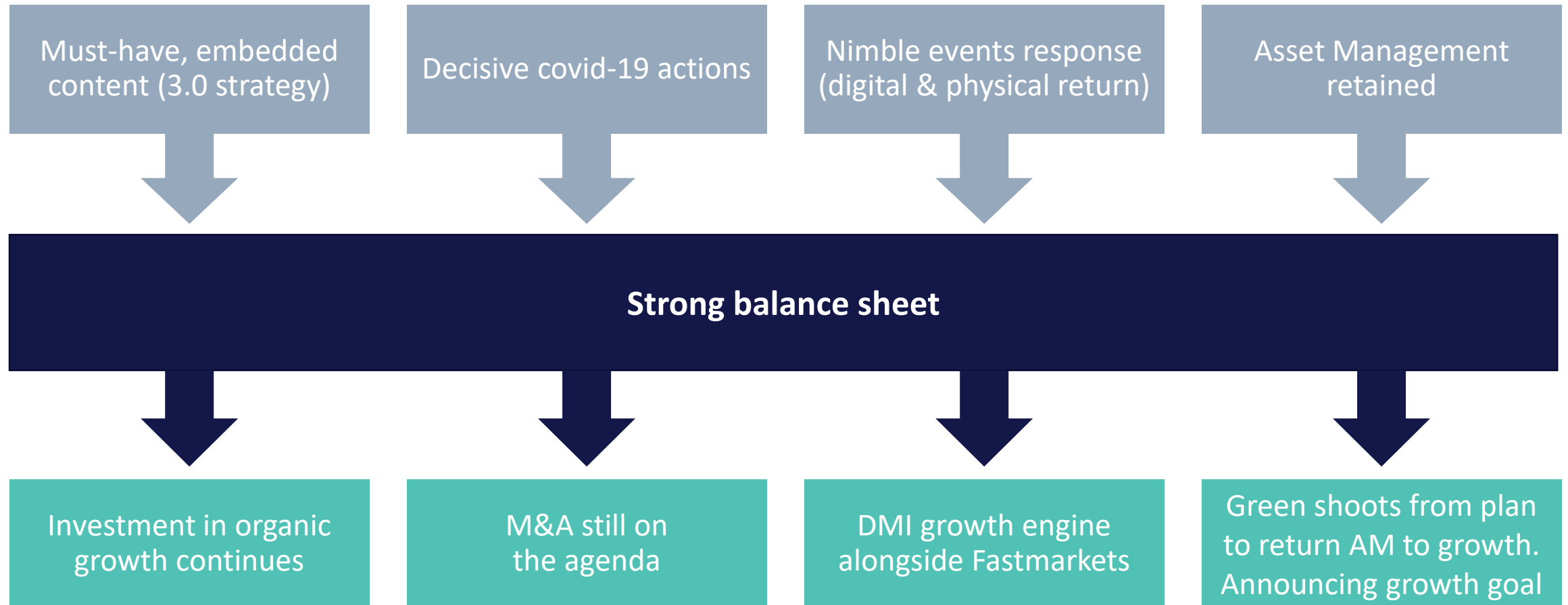
**We are**  
a global B2B **information**  
**services business**



**We provide**  
**price discovery, essential market**  
**intelligence and events**

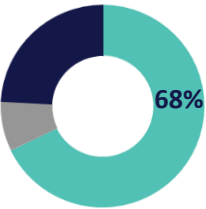
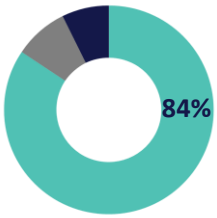
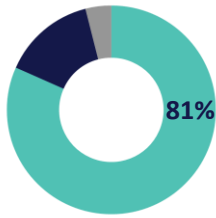
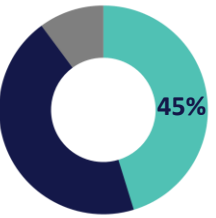


## Euromoney today: strong in challenging environment



# Half-Year Results

# H1 2020 reporting segments

	Total Group	Asset Management	Pricing	Data & Market Intelligence
<b>Markets served</b>		Global asset management industry	Global commodities pricing	Telecoms, financial services, professional services
<b>Revenue<sup>1</sup></b> (£m)   (% group)	£186.3m   100%	£66.4m   35%	£44.3m   24%	£76.1m   41%
				
<b>Adjusted operating margin<sup>2</sup></b>	22%	39%	39%	18%

1. Segmental revenues above exclude FX losses on forward contracts
2. Segmental operating profit margins are before central costs

# Half-year summary

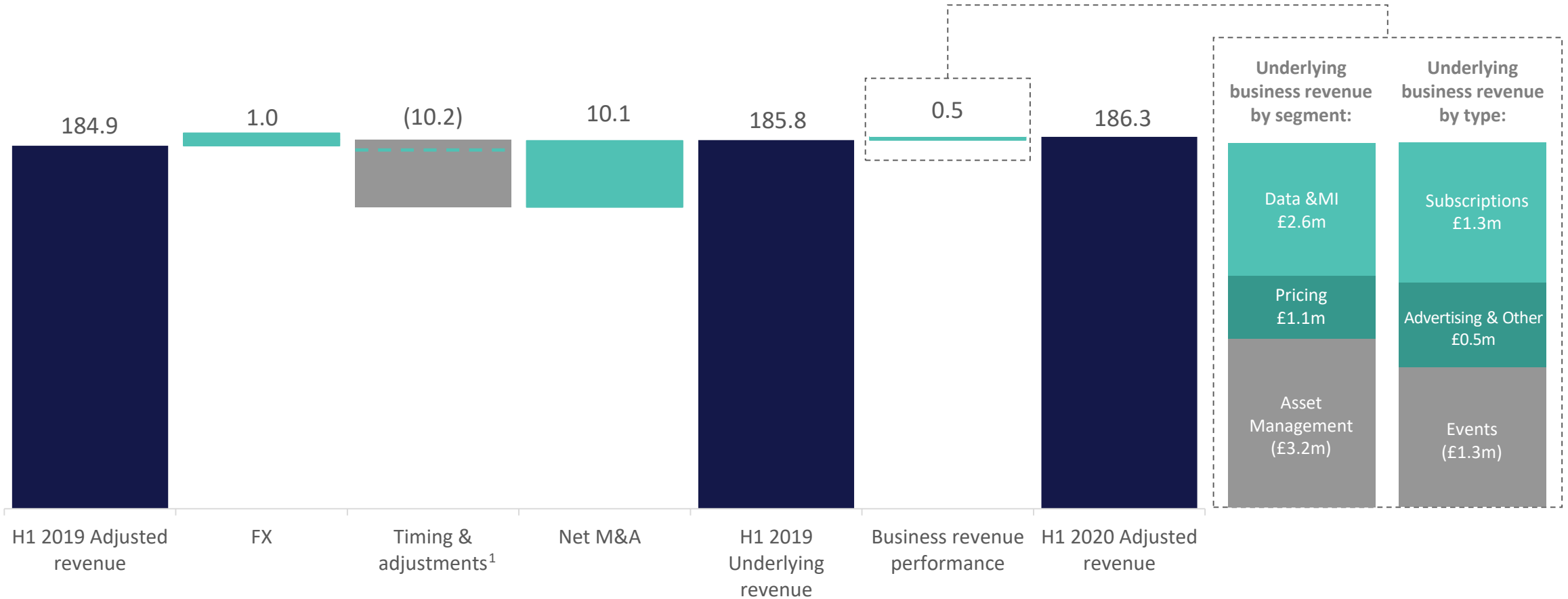
	H1 2020	H1 2019	Change %	Underlying %
Adjusted revenue (£m)	186.3	184.9	1%	0%
Adjusted operating profit margin	22%	25%	(3ppt)	0ppt
Adjusted profit before tax (£m)	39.3	46.1	(15%)	(1%)
Adjusted effective tax rate	19%	20%	(1%)	
Adjusted diluted EPS	29.7p	34.3p	(13%)	
Dividend per share	0.0p	10.8p	-	
Net cash (£m)	8.1	29.3		
Cash conversion <sup>1</sup>	87%	98%		

- **Revenue up 1%**, contribution from Pricing, DMI and acquisitions partially offset by events affected by covid-19
- Events cancelled/ postponed as a result of covid-19 reduced revenue growth by 5ppt, operating profit margin by 2ppt
- Underlying revenue flat; **growth in DMI and Pricing**, offset by Asset Management
- Underlying PBT -1% reflecting 1% increase in **underlying operating profit** offset by higher net interest
- No interim dividend
- **Net cash £8.1m** as at 31 March

1. See slide 41 for calculation of cash conversion

# Growth from investment in Data & Market Intelligence and Pricing

## 2019 to 2020 adjusted and underlying revenue bridge (£m)

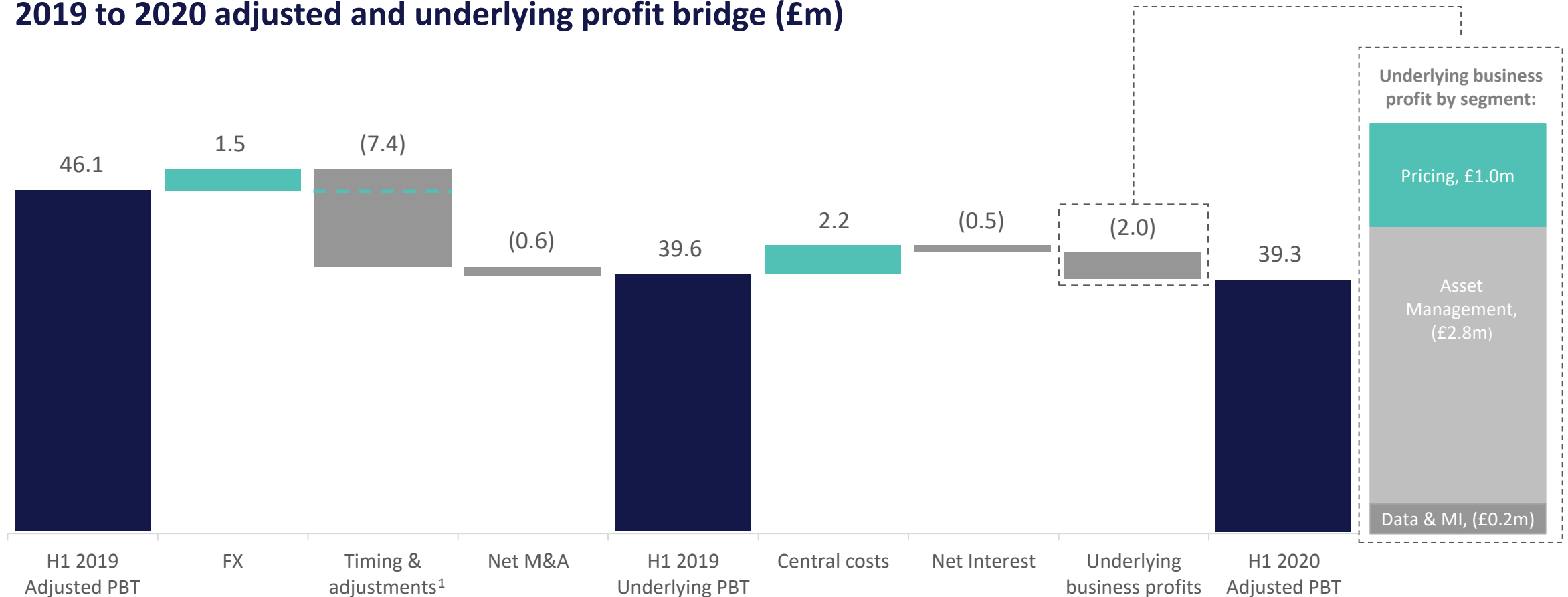


1. Timing & adjustments consists of £9.1m of cancelled and postponed events as a result of covid-19, represented by the area below the dotted line and £1.1m of other adjustments related to timing of publications and events, unrelated to covid-19, represented by the area above the dotted line.



# Underlying profit impacted by Asset Management and investment in DMI

## 2019 to 2020 adjusted and underlying profit bridge (£m)



1. Timing & adjustments consists of £6.2m of cancelled and postponed events as a result of covid-19, represented by the area below the dotted line and £1.2m of other adjustments related to IFRS16 (£0.3m) and timing of publications and events, unrelated to covid-19, represented by the area above the dotted line.

# H1 2020 Adjusted revenue and profit matrix by segment

	Adjusted Revenue (£m)								Profit (£m)	
	Subscriptions		Events		Advertising/ Other		Total		Total	
Asset Management	56.0	(6%)	4.8	(11%)	5.6	16%	66.4	(5%)	26.1	(10%)
Pricing	36.1	8%	6.4	(11%)	1.8	(33%)	44.3	3%	17.3	6%
Data & Market Intelligence	34.5	6%	33.9	0%	7.7	8%	76.1	4%	13.4	(1%)
Sub-total	126.6	1%	45.1	(3%)	15.1	3%	186.8	0%	56.8	(3%)
FX losses on forward contracts					(0.5)		(0.5)		(0.5)	
Central costs									(15.2)	13%
Adjusted Revenue / Operating Profit	126.6		45.1		14.6		186.3		41.1	1%

## Key to colours

■ Growth more than 2%  
 ■ Growth of 0% to 2%  
 ■ Decline of 0% to -1%  
 ■ Decline of -1% to -5%  
 ■ Decline more than -5%  
 □ Not colour-coded due to their small size

The percentages above are underlying growth rates, and the colours reflect the growth rate bandings in the above key.

# Asset Management

## Underlying growth

### Revenue

(3%)

(5%)

H1 2019

H1 2020

### Operating profit

6%

(10%)

H1 2019

H1 2020

- Underlying revenue down 5%, continued decline in subscriptions, in line with FY19
- **Growth in advertising** driven by strong sales in Institutional Investor media and research
- Operating profit down 10%; driven by decline in subscriptions at Investment Research Division (IRD)
- IRD **renewal rates** progressively **increased** during the period. IRD **new sales have improved** since September 2019, up until the impact of covid-19

**Institutional  
Investor**

BC& Research

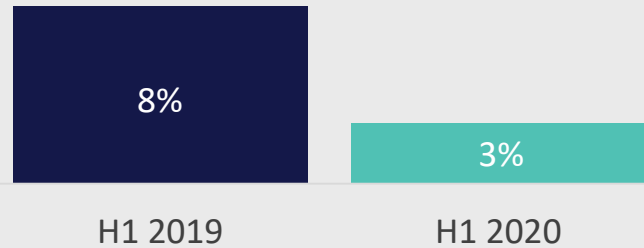
**NDR**  
NED DAVIS RESEARCH

Euromoney  
Institutional  
Investor PLC

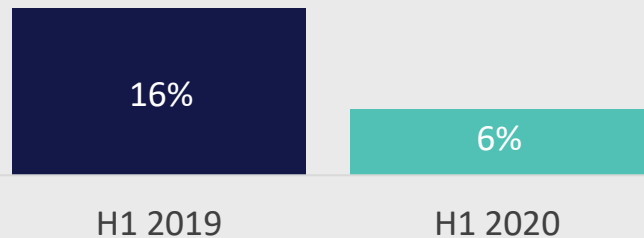
# Pricing

## Underlying growth

### Revenue



### Operating profit

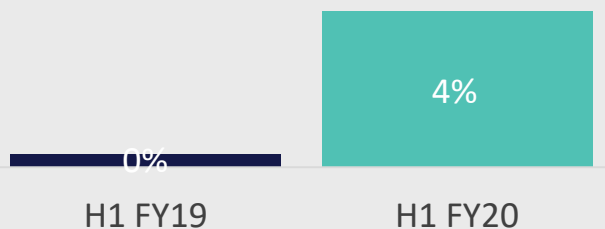


- Underlying growth in revenue of 3%, underlying **profit growth of 6%**
- **Subscription revenue** (81% of segment revenue) grew 8% underlying, with continued **strong data-licensing sales**
- Pricing experienced some impact on new sales and renewals from Asia focussed clients as a result of covid-19
- Softness in events, previously disclosed at Q1
- Continue to invest in future growth; roll-out of new **Fastmarkets platform** and increased number of prices that go through **rigorous IOSCO assurance** process
- Acquisition of AgriCensus leveraging Fastmarkets' **established reputation** in pricing and access to its **global PRA infrastructure**

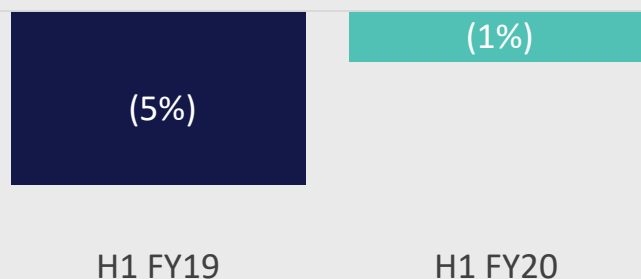
# Data & Market Intelligence

## Underlying growth

Revenue



Operating profit



- Data & Market Intelligence segment made up of Telecoms division and Financial & Professional Services (FPS) division
- FPS combines **complementary** brands delivering domain expertise, via embedded workflow solutions and events. We are investing in **technology** and **product management** to create **efficiency** and **scale**
- Underlying revenue increased 4% with **subscriptions growth** of 6%, benefiting from strong growth in **People Intelligence** and **NextGen** Pillars
- Renewal rates **remained high**
- Underlying events revenue was flat
- Underlying operating profit declined 1% due to **investment** to drive revenue growth

capacity

EUROMONEY

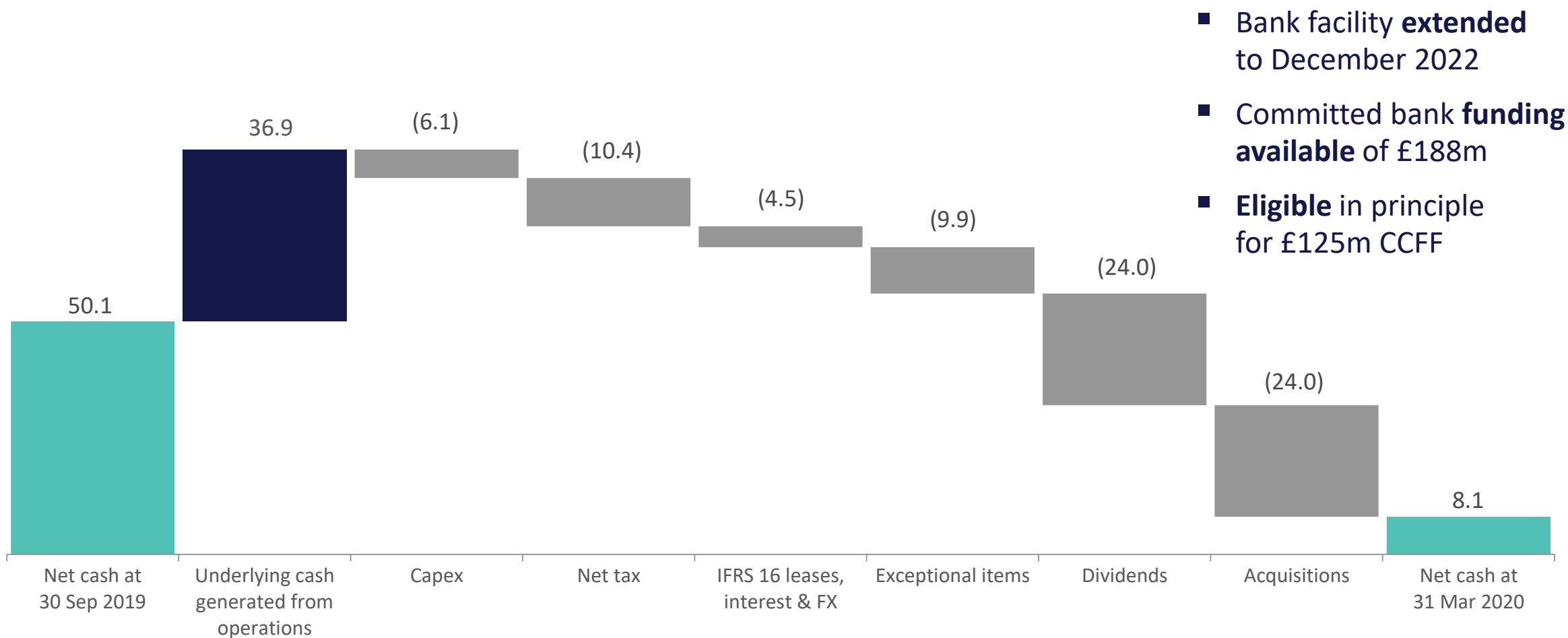
THE INSURANCE  
Insider

IWN  
Information Management Network

BoardEx

WEALTH-X

# Robust financial position



All the above figures are in £m. IFRS 16 leases include repayments and interest per the Consolidated Statement of Cash Flows. Net cash excludes IFRS 16 lease liabilities of £73.6m

## Material improvement in tax certainty

Removal of significant exposure of approximately £38m



- Resolution of Canadian Revenue Agency enquiry in our favour, related to 2009. Cash receipt of £5m expected
- Successful negotiation with HMRC on £11.3m VAT exposure
- Settlement agreed with HMRC on payroll taxes, £6.8m released from provision



# Covid-19 cash savings and actions

## Cash actions already in place:

- Minimising non-contractual spend
- Postponing capital expenditure
- Freezing pay, limiting new hires
- Salary cut for CEO, CFO and NEDs
- No interim dividend
- Exploring government-support schemes
- Temporary furlough, salary for shares



**Secured H2 2020 net cash  
cost savings of approx.  
£20m supporting  
strong liquidity**

Note: net P&L savings in H2 2020 of approximately £7m



# Strategy

## Why 3.0 remains the right strategy

### B2B Information 3.0

Embedded in workflow

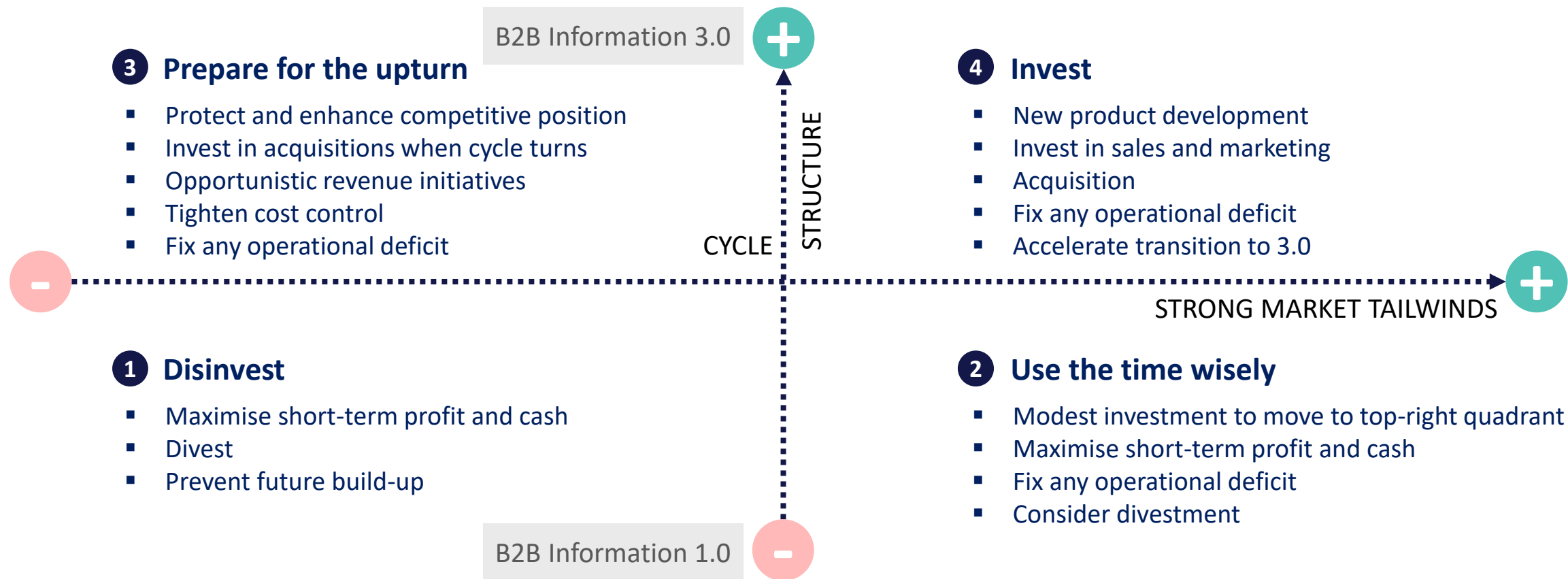
Part of the  
industry structure

Revenues based on  
value to customer

Solution-centric

- Focus on content embedded in workflow more important than ever
- Requires understanding and anticipating customer needs: the key to selling during covid-19 and in post-covid world
- Leads to high proportion of recurring subscription revenue
- Applied to events, leads to membership model

# Quadrants – more important than ever



The quadrants guide investment decisions, capital allocation and also define strategic priorities

## Acquisitions remain on the agenda



- November 2019 acquired Wealth-X, market-leading provider of data-driven intelligence on the world's wealthiest individuals
- Highly complementary to BoardEx

**\$430m** target  
addressable  
market

**95%** cross-sell  
opportunity

**45%** database  
crossover



- March 2020 acquired AgriCensus, PRA for the global agricultural commodity markets
- Strong strategic fit with existing Fastmarkets business, ability to leverage platform

**Over 150**  
market prices  
assessed

More than  
**1,000**  
subscribers

**Excellent**  
competitive  
position

# Organic growth never more important: growth in DMI and Pricing

## Within DMI we are investing in Financial & Professional Services....

- Build out of product management team
- Investment in technology, in Salesforce, content management and audience management platforms
- New product development
- Developing new revenue streams

## ...and we continue to invest for growth in Fastmarkets

- Investment in Fastmarkets' customer facing platform, including mobile apps
- Integrated CRM to allow sophisticated target marketing and optimise customer journey
- Increased number of prices going through rigorous IOSCO assurance process
- Further strengthening of management team with appointment of CMO

# Asset Management

# Why we decided to retain Asset Management

- Best outcome for shareholder value is to remain long-term owner
- We believe in our growth plan for Asset Management. Targeting return of Investment Research Division non-vote BoB to growth by end of FY22



# Asset Management – a reminder

## Asset Management segment

**\$180m** LTM<sup>1</sup>  
revenue

**42%** LTM<sup>1</sup> operating  
profit margin

**81%** subscriptions  
LTM<sup>1</sup> revenue

**Number 1**  
market share

### Institutional Investor 45% segment revenue

Iconic brand

Highly recurring  
revenue

Attractive margin

Significant barriers  
to entry

### Investment Research Division 55% segment revenue

Combined #1  
market share

~3,000 blue-chip  
customers

>90% subs  
revenue

High retention  
rates

1. Adjusted revenue and operating profit is for the last twelve months to 31 March 2020



## Asset Management during covid-19

Macro research more  
must-have than ever

Membership event  
model much more  
robust than one-off

Renewal rates in IRD  
holding up well

Asia rebounding

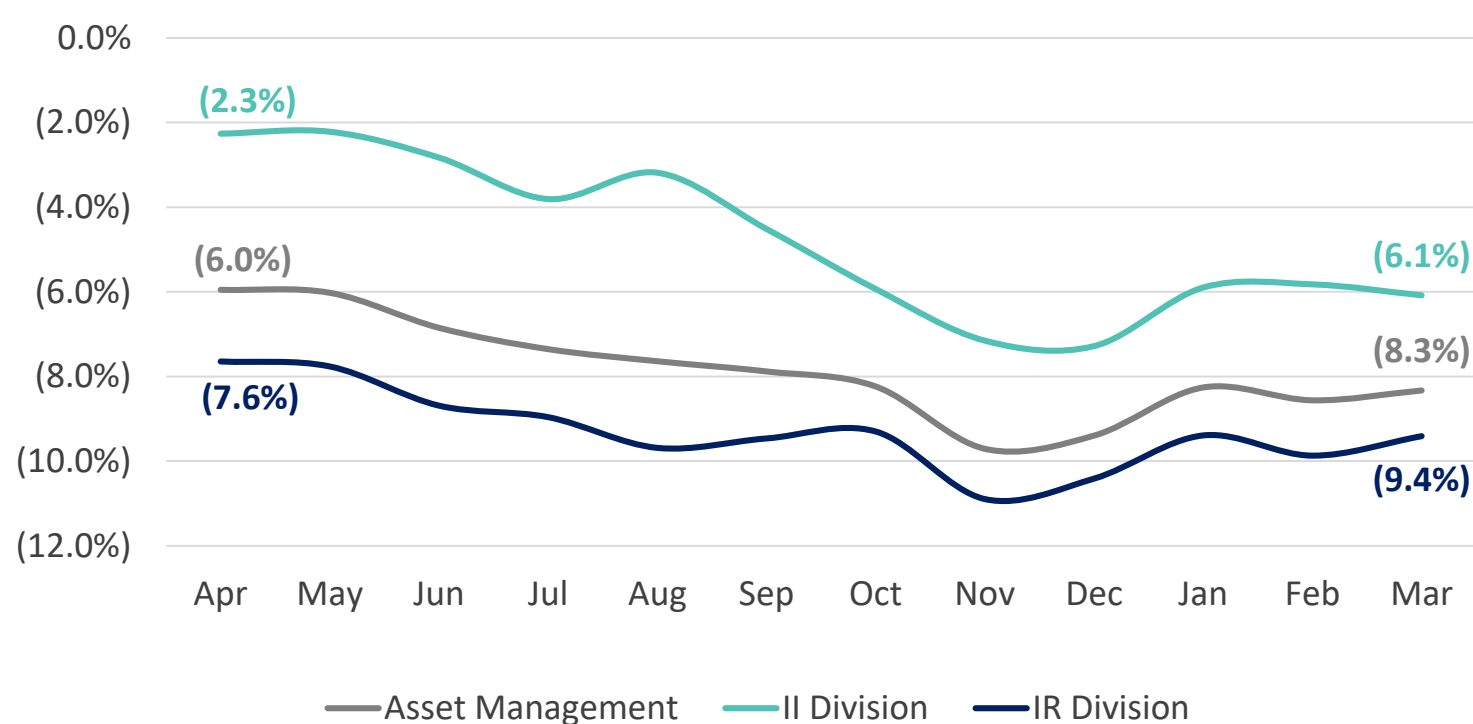
New business still  
happening  
(though slower)

Auto-renewal  
performing well

Strong digital  
events initiatives

# Asset Management Book of Business<sup>1</sup>

## Asset Management Book of Business movement at constant GBP/US\$ rate adjusted for net M&A (%)



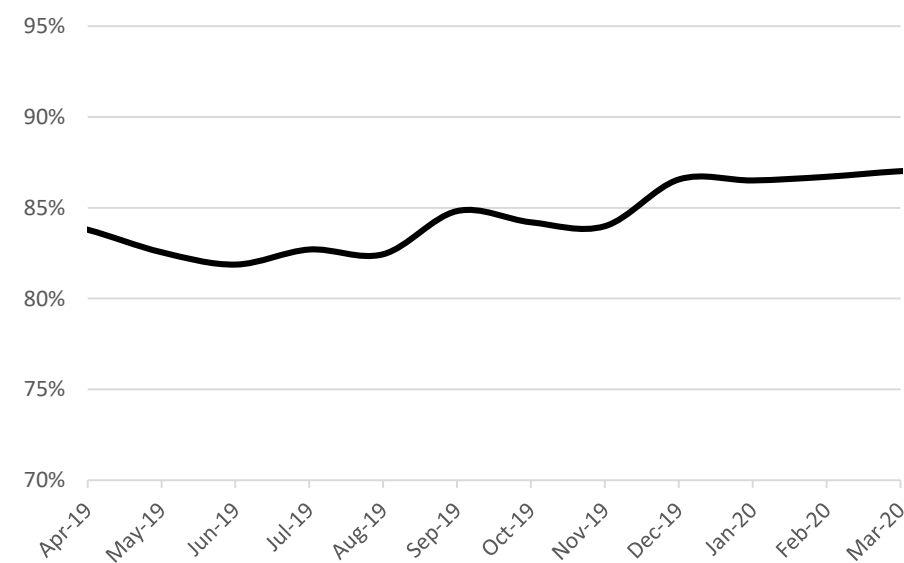
- Good improvement in Asset Management BoB
- In particular recovery in IRD new sales

1. The Book of Business is the annual contracted values for subscriptions and is shown at constant GBP/\$ rate adjusted for net M&A (%). Includes vote revenue.

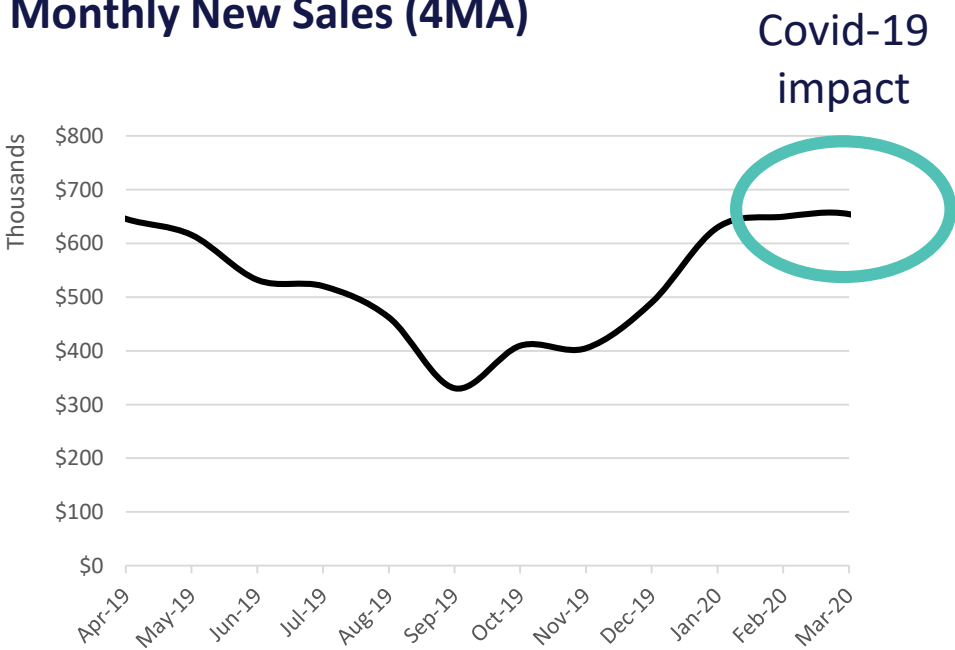
# IRD turnaround

Growth plan for BCA Research and NDR is showing green shoots, pre-covid-19

IRD Renewal Rates (4MA)



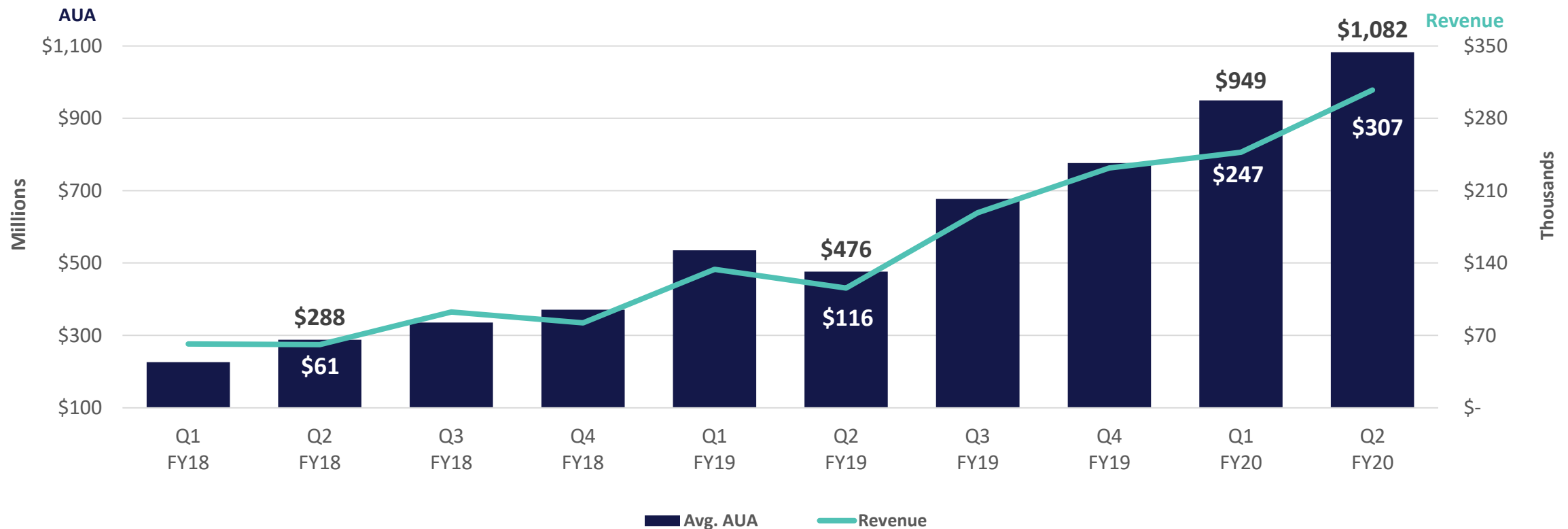
IRD Monthly New Sales (4MA)



Note: 4MA is four month moving average. Excludes vote revenue.

# IRD growth opportunities

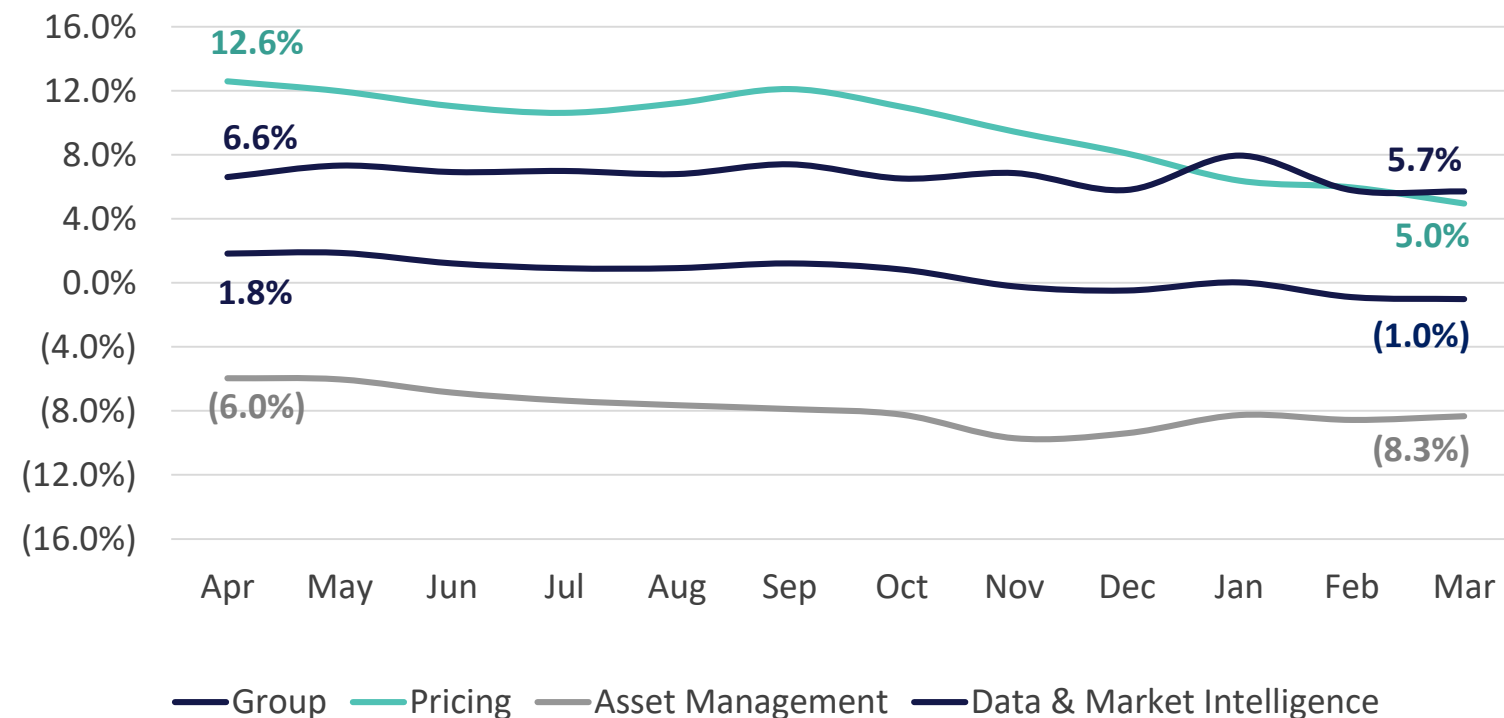
- We see further opportunities to innovate and develop 3.0 products
- NDR Assets under Advisement and related revenues growing strongly



# Outlook

# Subscriptions Book of Business growth<sup>1</sup>

## Book of Business growth at constant GBP/US\$ rate adjusted for net M&A (%)



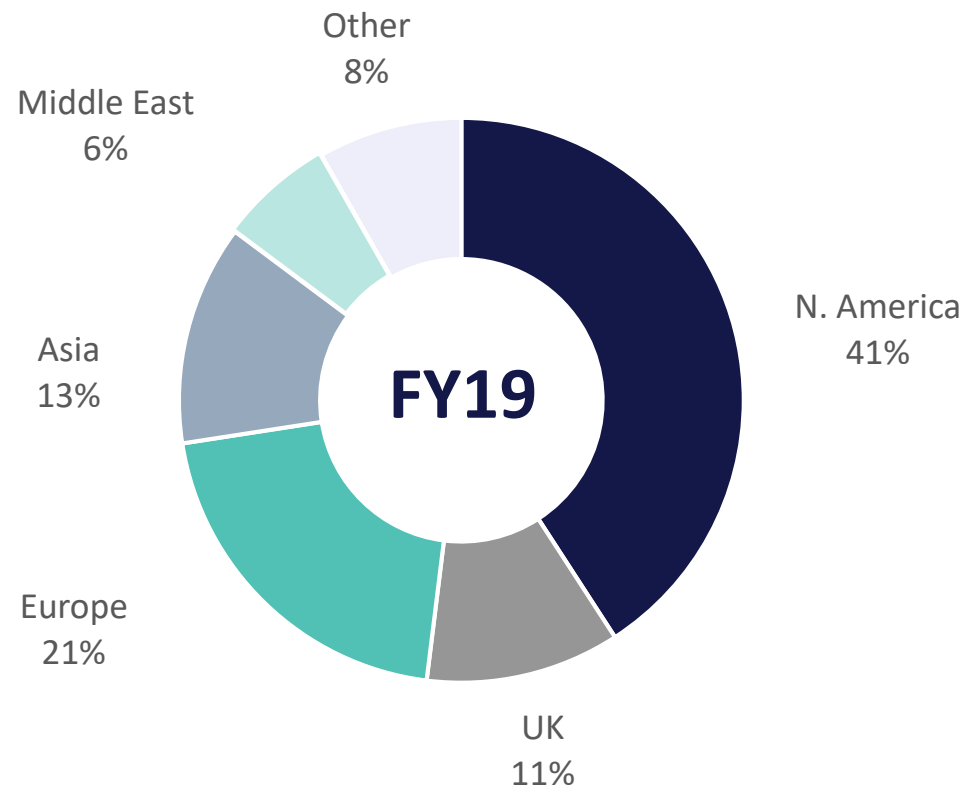
- Consistent growth in Data & Market Intelligence driven by **People Intelligence** and **NextGen** pillars
- Pricing impacted by Asia focused clients
- Broadly **stable** decline in Asset Management since September

1. The Book of Business is the annual contracted values for subscriptions and is shown at constant GBP/\$ rate adjusted for net M&A (%)

## Events outlook: a framework

- Euromoney skilled at rapid response to opportunities as countries open up
- Countries and regions will open up differently and at different times and rates
- International events require:
  - Open borders
  - Large gatherings allowed
  - Multi-nationals to have travel and event policies that permit
  - Attendees willing to participate

Events revenue by region



## FY19 events revenue by geography and quarter

£m	FY19	Q1	Q2	Q3	Q4
Africa	4.8	2.0	0.5	1.0	1.3
Asia	15.7	4.9	3.2	4.8	2.8
Australia	0.4	0.1	0.1	0.0	0.2
Europe excl UK	25.6	5.8	4.2	8.2	7.4
UK	13.8	5.1	2.0	4.3	2.4
North America	50.7	6.4	11.5	21.6	11.2
Latin America	5.1	1.4	1.2	1.4	1.1
Middle East	8.1	2.0	4.4	0.4	1.3
<b>Total</b>	<b>124.2</b>	<b>27.7</b>	<b>27.1</b>	<b>41.7</b>	<b>27.7</b>

Figures above exclude Closed & Sold Businesses



# Innovative and agile events operator

- Positive customer feedback on decisions to postpone events
- Pivoted quickly to virtual events, 44 held to-date
- Can be nimble returning to face-to-face events

## We can rapidly return to running face-to-face events

Indicative timeline for organising face-to-face events

Local events **3-6 weeks**

Regional events **4-12 weeks**

International events **8-12+ weeks**

## Virtual events allow us to:

- Maintain relationships with customers
- Renew and retain subscription business in II
- Develop new revenue streams
- Prospect for new clients
- Innovate for post covid-19

# Summary

**3.0 strategy more relevant than ever**



**Strong balance sheet to weather the crisis and emerge strongly**



**Asset Management helpful during and post covid-19 and green shoots of turnaround**



**Taking decisive covid-19 action**



**Pricing continues resilient growth**



**Data & Market Intelligence investment and plan working**



**Nimble event execution as soon as markets open (plus virtual in the meantime)**



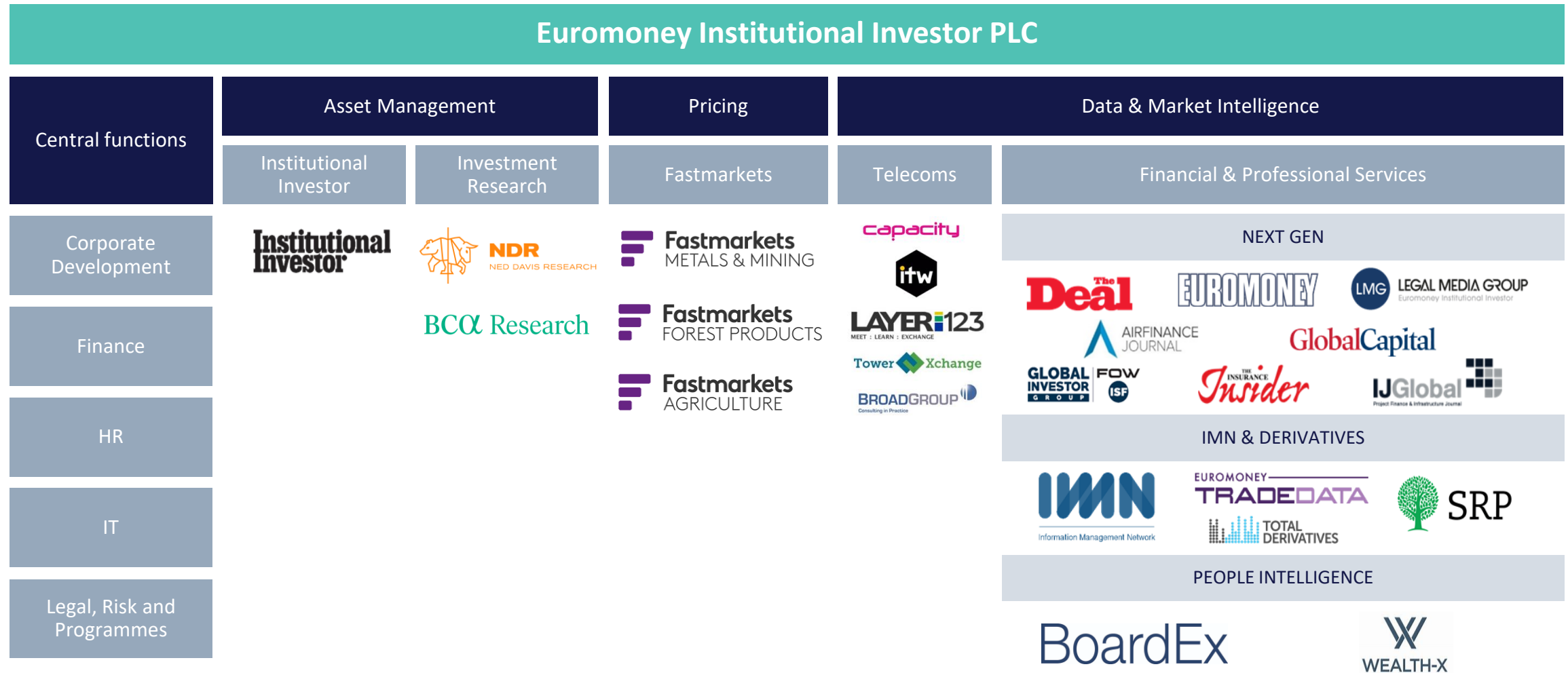
**Small, strategic acquisitions remain on the agenda**



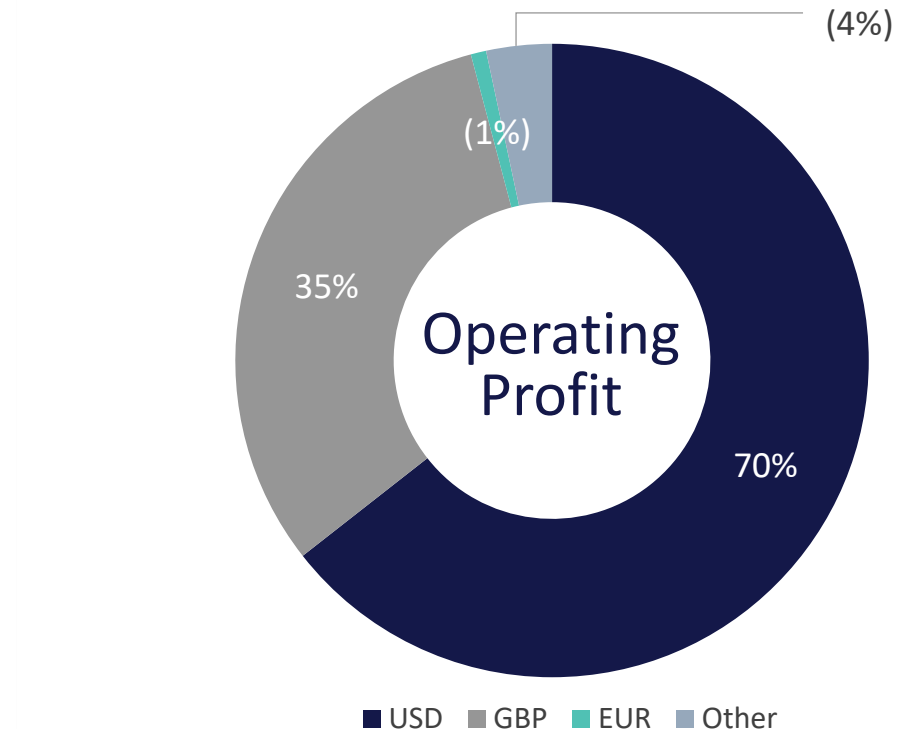
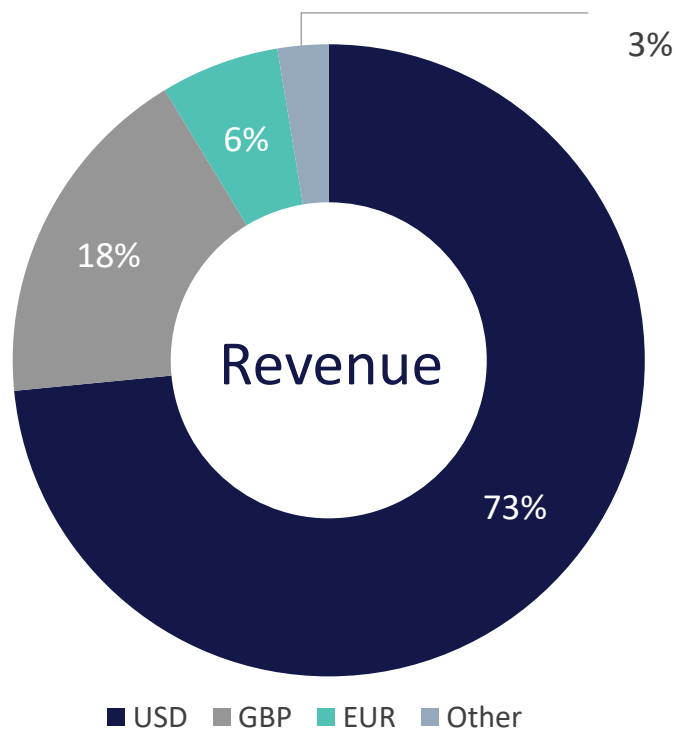
Q&A

# Appendix

# New segmental structure from 1 October 2019



## Total adjusted revenue and operating profit by currency



GBP/\$	H1 2020	H1 2019
Average rate	1.29	1.29
Closing rate	1.24	1.30

GBP/\$	1¢ movement
Revenue	+ / - £1.7m
Operating profit	+ / - £0.7m

## Underlying revenue growth by segment

Y-o-Y % change	FY20 Cumulative Growth	
	Q1	Q2
Asset Management	(6%)	(5%)
Pricing	3%	3%
Data & Market Intelligence	3%	4%
<b>Total</b>	<b>0%</b>	<b>0%</b>

# Adjusted operating profit margin

<b>H1 2019 Reported operating margin</b>	<b>25.0%</b>
FX (incl. hedging)	0.7%
IFRS 16	0.3%
Timing/Adjustments	(2.5%)
Net M&A	(1.6%)
<b>Underlying business:</b>	
Asset Management	(1.1%)
Pricing	0.4%
Data & Market Intelligence	(0.4%) (1.1%)
Central Costs	1.2%
<b>Total impact</b>	<b>(3.0%)</b>
<b>H1 2020 Adjusted operating margin</b>	<b>22.0%</b>

- Timing/Adjustments includes 2ppt impact from events cancelled and postponed as a result of covid-19
- Decline in Asset Management margin due to flow through of weaker subscription revenue performance
- **Pricing improvement** due to subscription revenue growth supported by a stable cost base
- Data & Market Intelligence decline due to **strategic investment** to support growth
- **Central costs reduced** mainly due to lower provision for bonus and share incentive schemes together with other cost saving initiatives



# Cash conversion

£m	12 months to H1 2020	12 months to H1 2019
<b>Adjusted operating profit</b>	<b>100.3</b>	<b>103.4</b>
Cash generated from operations	69.7	90.5
Exceptional items <sup>1</sup>	16.7	11.4
Other working capital adjustments	0.8	(0.8)
<b>Underlying cash generated from operations</b>	<b>87.2</b>	<b>101.1</b>
<b>12-month cash conversion %</b>	<b>87%</b>	<b>98%</b>

Cash conversion is **lower due** to the continued weakness in **Asset Management** and the **impact of covid-19** on cancelled and postponed events

1. For a reconciliation of Statutory to adjusted and underlying results please refer to the Half-Year Report 2020

# Return on invested capital

£m	H1 2020 LTM <sup>1</sup>	FY 2019
<b>Adjusted<sup>1</sup> operating profit</b>	<b>100.3</b>	<b>105.4</b>
Tax at effective rate	(20.1)	(21.1)
<i>Effective tax rate</i>	<i>20%</i>	<i>20%</i>
<b>Adjusted<sup>1</sup> operating profit after tax</b>	<b>80.2</b>	<b>84.4</b>
Average invested capital <sup>2</sup>	863.3	767.2
<b>Return on invested capital</b>	<b>9.3%</b>	<b>11.0%</b>

- Adjusted operating profit shown above is adjusted operating profit as otherwise stated, less exceptional items and with intangible amortisation added back. Adjusted operating profit for H1 2020 is for the last twelve months to 31 March 2020. ROIC for H1 2020 uses an average of H1 2020 and H1 2019 balance sheet inputs. For a reconciliation of Statutory to adjusted and underlying results please refer to the Half-Year Report 2020
- Average invested capital is calculated as the average of the period end, and twelve months prior period end balances of; goodwill and acquired intangible assets, internally developed intangible assets, PPE and net assets held for sale (capital employed), plus accumulated amortisation and impairment of acquired intangible assets and goodwill

## Exceptional items

£m	H1 2020
VAT provision release	10.6
Asset Management Strategic Review	(3.9)
Off payroll workers PAYE liability release	6.2
Acquisitions (deferred compensation and integration costs)	(1.9)
Other	(2.6)
<b>Total exceptional items</b>	<b>8.4</b>

The cashflow impact of exceptional items for H1 2020 was **an outflow of £9.9m**

# IFRS 16 impact

## Illustrative P&L impact

Profit and Loss account	Previous rules	Rent	Dep'n	Interest	New rules	
	H1 2020				H1 2020	Total change
Adjusted operating profit	40.5	3.5	(2.9)	-	41.1	0.6
Adjusted profit before tax (£m)	39.6	3.5	(2.9)	(0.9)	39.3	(0.3)

## Balance sheet transition

Balance sheet	Previous rules 30 Sept 2019	Recognise leases	Working capital	New rules 1 Oct 2019
Non-current assets	433.9	56.7	-	490.6
Net debt	-	(71.6)	-	(71.6)
Deferred tax assets	2.2	0.6	-	2.8
Current liabilities	(273.2)	-	12.3	(260.9)
Net assets	526.0	(14.3)	12.3	524.0

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